

2015 Judicial Conference

United States District Court for the District of Massachusetts



Exploring Trends in U.S. Supreme Court IP Decisions: What can we learn from the Supreme Court's increased attention to IP matters?

Panel

The Honorable Marianne B. Bowler (Moderator)

The Honorable Nathaniel M. Gorton

Jennifer Furey, Goulston & Storrs

William Jay, Goodwin Procter

William Lee, Wilmer Hale

Lisa Tittlemore, Sunstein Kann Murphy & Timbers

Jeff Wall, Sullivan & Cromwell

Kimble v. Marvel

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Background

- In *Brulotte v. Thys Co.*, the Court held that “a patentee’s use of a royalty agreement that projects beyond the expiration date of the patent is unlawful *per se*” because it is analogous to unlawfully extending a monopoly.
- In *Aronson v. Quick Point Pencil Co.*, the Court clarified that hybrid licenses—e.g., including patent and non-patent IP—were permissible so long as the parties distinguished between the two types of IP with different licensing rates.
- In this case, Kimble held a patent for a web-slinging toy and sold it, along with “the non-patent intellectual property,” to settle litigation for a lump sum and running royalty on sales with “no expiration date,” even though the patent expired in 2010.
 - ✦ The Kimble license did not differentiate between the patent and “non-patent intellectual property.”

Question Presented

- Whether the Court should overrule *Brulotte v. Thys Co.*

Kimble v. Marvel



Holdings

- The Court found no need to overturn *Brulotte*.
 - ✦ *Brulotte*'s “statutory and doctrinal underpinnings have not eroded over time” given that “the core feature of the patent laws on which *Brulotte* relied remains just the same,” i.e., patent terms.
 - ✦ Further, “nothing about *Brulotte* has proven unworkable.”
- Kimble argued that, contrary to *Brulotte*'s reasoning, post-term contracts “more often increase than inhibit competition.”
- The Court implied that Kimble's arguments may be true, but “*Brulotte* did not hinge on the mistake Kimble identifies . . . the Court did not rely on the notion that post-patent royalties harm competition.”

Dissent

- *Brulotte* “was based instead on an economic theory—and one that has been debunked.”

Commil v. Cisco

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Background

- Commil held a patent that claimed a method of implementing short-range wireless networks.
- Commil alleged that Cisco had infringed Commil's patent by making and using networking equipment, and had induced others to infringe by selling the infringing equipment for them to use.
- Cisco argued in defense that it had a good-faith belief that Commil's patent was invalid.

Question presented

- Whether a good-faith belief in a patent's invalidity is a defense to induced infringement.

Commil v. Cisco



Holdings

- Reaffirmed the Court's prior decision in *Global-Tech*: inducement depends on knowledge that the patent is infringed, which is rebuttable by a good-faith belief of noninfringement
 - ✦ Includes a good-faith belief regarding claim construction / scope of the patent, under which the accused device/conduct would not infringe
 - ✦ BUT: a good-faith belief of invalidity is different and does not rebut the intent element of inducement.
- Invalidity and infringement are “separate matters under patent law.”
 - ✦ “[I]nvalidity is not a defense to infringement, it is a defense to liability. And because of that fact, a belief as to invalidity cannot negate the scienter required for induced infringement.”

Teva v. Sandoz

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Background

- In *Markman v. Westview Instruments*, the Court held that claim construction is for the court, not the jury, to decide.
- After *Markman*, the Federal Circuit held *en banc* that claim construction decisions should be reviewed de novo (*Cybor*).
 - ✦ The Federal Circuit reviewed all aspects of a district court's claim construction decision, including factual findings, *de novo* and without deference.
- In *Retractable Techs. v. Becton Dickinson*, the Federal Circuit declined to reconsider the issue, over a 2-judge dissent.
- In *Lighting Ballast*, a 7-4 *en banc* decision, the Federal Circuit upheld *de novo* review.

Question presented

- What standard should the Court of Appeals use when it reviews a trial judge's resolution of an underlying factual dispute?

Teva v. Sandoz



Holdings

- Rule 52 applies no differently in patent cases than other cases.
- Findings of fact are reviewed deferentially.
- However, the ultimate claim construction decision is a legal question reviewed *de novo*.
 - ✦ Constructions based only on intrinsic evidence (claims, specification, prosecution history) are reviewed *de novo*.
- Deference applies only to subsidiary findings based on extrinsic evidence.

Dissent

- A patent is more like a statute than a contract or deed, and as a result, all evidence supporting a claim construction must be reviewed *de novo*.
- A patent regulates everyone; its meaning should not depend on the evidence adduced in a particular case.
- The meaning of a term to a “skilled artisan” is not a “fact;” there is no actual “skilled artisan” whose state of mind is to be assessed.

Medtronic v. Mirowski Family Ventures

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Background

- Medtronic licensed two patents from Boston Scientific, which in turn is the exclusive licensee of patent owner Mirowski Family Ventures, LLC.
- Pursuant the parties' agreements, Mirowski notified Medtronic of its belief that several of Medtronic's products infringed the licensed patents
- Medtronic, while continuing to make royalty payments, sued for declaratory judgments of non-infringement and invalidity.
- Mirowski could not counterclaim for infringement because of the license agreement.
- The district court nonetheless placed the burden of proving infringement on Mirowski, and found it had not met that burden.
- The Federal Circuit reversed, holding that Medtronic, as the declaratory judgment plaintiff, had the burden of proving non-infringement.

Medtronic v. Mirowski Family Ventures



Question Presented

- Whether, in a declaratory judgment action brought by a licensee under *MedImmune, Inc. v. Genentech, Inc.*, the licensee has the burden to prove that its products do not infringe the patent, or whether (as is the case in all other patent litigation, including other declaratory judgment actions), the patentee must prove infringement.

Holding

- In a declaratory judgment action in which a licensee seeks to establish that its products do not infringe the licensed patent, the patentee bears the burden of persuasion on the issue of infringement.

Nautilus v. Biosig Instruments

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Background

- Biosig was assigned a patent for a heart-rate monitor and alleged that Stairmaster (later acquired by Nautilus) manufactured and sold infringing exercise equipment.
- The key claim language was the meaning of “spaced relationship” between electrodes.
- 35 U.S.C. § 112 requires that “[t]he specification shall conclude with one more claims particularly pointing out and distinctly claiming the subject matter which the inventor or a joint inventor regards as the invention.”
- The Patent Office and Federal Circuit apply different tests for indefiniteness:
 - ✦ **Prosecution (USPTO):** Broad standard
 - Patent claims are indefinite in the face of multiple reasonable interpretations.
 - ✦ **Litigation (Fed. Cir.):** Narrow standard
 - Patent claims are indefinite only when “not amenable to construction” or “insolubly ambiguous.”

Nautilus v. Biosig Instruments



Question Presented

- Does the Federal Circuit's acceptance of ambiguous patent claims with multiple reasonable interpretations, so long as they are not "insolubly ambiguous," defeat the statutory rule that requires particular and distinct patent claims?

Holdings

- "A patent is invalid for indefiniteness if its claims, read in light of the patent's specification and prosecution history, fail to inform, with reasonable certainty, those skilled in the art about the scope of the invention."
- The definiteness requirement must allow for "some modicum of uncertainty" to incentivize innovation while requiring sufficient precision to fulfill the public-notice function of the requirement .
- The Federal Circuit's "insolubly ambiguous" standard "leave[s] courts and the patent bar at sea without a reliable compass."
- The Court expressly left open "for another day" the issues of standard of review for definiteness findings.

Limelight Networks v. Akamai

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Background

- Section 271(a): “whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States . . . Infringes the patent.” [**direct infringement**]
- Section 271(b): “[w]hoever actively induces infringement of a patent shall be liable as an infringer.” [**inducement of infringement**]
- Akamai obtained rights in a patent for a more efficient method of directing Internet traffic for its servers and websites.
 - ✦ Akamai sued Limelight for infringement on the theory that Limelight had performed *some* of the steps of Akamai’s patented process, and instructed customers to carry out the remaining steps per their tagging instructions.
- A jury found that Limelight infringed Akamai’s valid patent.

Limelight Networks v. Akamai



Background cont.

- After the jury returned its verdict, the Federal Circuit decided in *Muniauction* that “where the actions of multiple parties combine to perform every step of a claimed method, the claim is directly infringed only if one party exercises ‘control or direction’ over the entire process such that every step is attributable to the controlling party.”
- Based on *Muniauction*, the district court granted Limelight’s motion for judgment as a matter of law despite the jury ruling in favor of Akamai.
- A Federal Circuit panel affirmed, then granted *en banc* review and reversed in a sharply divided 6-5 decision, finding:
 - (1) Direct infringement requires that a party perform all the claim steps personally or through an agent or contractual obligor.
 - (2) Inducement may arise where a party “advises, encourages, or otherwise induces others to engage in infringing conduct” *even though* no single party performs *all* of claimed steps.

Limelight Networks v. Akamai



Question Presented

- Can a defendant be held liable for inducing patent infringement even though no one has committed direct infringement?

Holdings

- A defendant is not liable for inducing infringement under § 271(b) when no one has directly infringed under § 271(a) or any other statutory provision.
- The case was remanded for further proceedings consistent with the Court's opinion.

Limelight Networks v. Akamai



Fed. Cir. Panel Remand

- On remand, Chief Judge Prost and Judge Linn ruled that “direct infringement liability of a method claim under 35 U.S.C. Section 271(a) exists when all of the steps of the claim are performed by or attributed to **a single entity**—as would be the case, for example, in a **principal-agent relationship**, in a **contractual arrangement**, or in a **joint enterprise**.”
- The panel affirmed the district court’s decision of JMOL of non-infringement under §271(a), stating that “[i]n this case, there is nothing to indicate that Limelight’s customers are performing any of the claimed method steps as agents for Limelight, or in any other way vicariously on behalf of Limelight.”
- Judge Moore dissented, arguing that a strict “single entity rule . . . is a recent judicial creation inconsistent with statute, common law, and common sense.”
- Akamai petitioned for rehearing *en banc*.

Limelight Networks v. Akamai



Fed. Cir. Decision on Remand (per curiam) (*en banc*)

- Without further briefing or oral argument, the full Federal Circuit reversed the panel and reversed the district court's finding of non-infringement.
 - ✦ “[A]n actor is liable for infringement under [Section] 271(a) if it acts through an agent (applying traditional agency principles) or contracts with another to perform one or more steps of a claimed method. . . . “[L]iability under [Section] 271(a) can also be found when an alleged infringer **conditions participation in an activity or receipt of a benefit upon performance of a step or steps of a patented method and establishes the manner or timing of that performance.**”
- The court found support for the jury's infringement finding under § 271(a).
 - ✦ “[I]f Limelight's customers wish to use Limelight's product, they must tag and serve content. Accordingly, substantial evidence indicates that Limelight conditions customers' use of its content delivery network upon its customers' performance of the tagging and serving method steps.”

Alice Corp. v. CLS Int'l Bank

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Background

- 35 U.S.C. § 101 broadly describes the types of patentable inventions, but there is a judicial exception for “abstract ideas”— algorithms, equations, application of natural relationships (*Mayo v. Prometheus*).
- Alice obtained a patent for software that creates settlement arrangements for exchanging financial instruments.
 - ✦ CLS Bank (and an affiliate) challenged its validity and enforceability.
- After the district court invalidated the patent, the Federal Circuit reversed, finding that the computer implementation steps satisfied § 101.

Alice Corp. v. CLS Int'l Bank



Background cont.

- The Federal Circuit granted rehearing *en banc* and reinstated the district court opinion in a divided decision.
 - ✦ In a short *per curiam* opinion, the court affirmed the district court's holding that the asserted method and computer-readable media claims are not directed to eligible subject matter under 35 U.S.C. § 101.
 - ✦ An equally divided court affirmed the district court's holding that the asserted system claims are not directed to eligible subject matter under that statute.
 - ✦ Five additional opinions and “additional reflections” by Chief Judge Rader were issued, none of which was joined by a majority.

Alice Corp. v. CLS Int'l Bank



Question Presented

- Whether claims for a computer-implemented scheme for mitigating settlement risk are patent eligible under 35 U.S.C. § 101, or are instead drawn to a patent-ineligible abstract idea.

Holdings

- *Mayo* recognized as creating a two-step “framework” for applying judicial exceptions to patent-eligibility:
 - ✦ Are the claims “directed to” or “drawn to” a patent-ineligible concept, such as an abstract idea?
 - ✦ If so, does the rest of the claim supply “the necessary inventive concept,” or are the added elements “purely conventional?”
- Using a computer to implement the age-old idea of intermediated settlement is not enough; it only requires “a generic computer to perform generic computer functions.”
- “Improv[ing] an existing technological process” would suffice.
- As would, “improv[ing] the functioning of the computer itself.”

Octane Fitness v. ICON Health & Fitness

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Background

- In *Brooks Furniture v. Dutailier*, the Federal Circuit established a mechanical test for awarding fees to a prevailing defendant in an infringement case:
 - (1) Litigation involves material misconduct (e.g., willfulness, inequitable conduct, misconduct during litigation); or
 - (2) Litigation is brought in subjective bad faith and is “objectively baseless.”
- In *Octane*, the district court granted summary judgment of non-infringement, but found no bad faith or objective baselessness, and so denied attorneys’ fees.
- The Federal Circuit affirmed without analysis.

Question Presented

- Whether the Federal Circuit’s test for determining whether a case is “exceptional” under 35 U.S.C. § 285 impermissibly encumbers district courts’ discretion to award attorney’s fees.

Octane Fitness v. ICON Health & Fitness



Holdings

- “Exceptional case” is “one that stands out from others with respect to the substantive strength of a party’s litigating position ... or the unreasonable manner in which the case was litigated.”
- Decision is to be made by district courts “in the case-by-case exercise of their discretion.”
- Bad faith alone, or objectively baseless litigation positions alone, could suffice to set a case apart.
- Shown by preponderance of evidence, not clear and convincing evidence.

Highmark, Inc. v. Allcare Health Mgmt.

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Background

- The Federal Circuit has applied *de novo* review to questions of law including claim construction, obviousness, enablement, definiteness, conception, and the objective component of willfulness.
- In *Highmark*, a Federal Circuit panel applied *de novo* review to the “objectively baseless” component of the *Brooks Furniture* test for attorneys’ fees.
- On appeal to the Supreme Court, the United States filed an *amicus* brief supporting reversal, calling for a more deferential standard of review for fee awards.

Question Presented

- Whether a district court’s exceptional-case finding under 35 U.S.C. § 285, based on its judgment that a suit is objectively baseless, is entitled to deference.

Holding

- Because *Octane* holds that an “exceptional case” determination is discretionary, appellate review is for abuse of discretion.

Bowman v. Monsanto

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Background

- Monsanto invented a genetic modification that enables soybean plants to survive exposure to the active ingredient in many herbicides. It sells the seeds to growers who are licensed to plant the seeds for only one season.
- A farmer, who was licensed to plant for only one season, purchased soybeans treated with Monsanto's technology from a grain elevator and planted them. He continued to save seeds from his crops and re-plant in later seasons. Monsanto sued for infringement, and the farmer raised a defense of patent exhaustion.
- Federal Circuit had held patent exhaustion does not bar an infringement action, and the next generation of seeds created a “newly infringing” article.

Bowman v. Monsanto



Question Presented

- Whether a sale of patented seeds for a single planting exhausts patent protection in the event that the next generation of seeds are replanted

Holding

- Selling a seed exhausts patent rights in that seed, but does not authorize the farmer to make unlimited copies of that seed. Making each new seed is a new act of infringement of unexhausted patent rights

Ass'n for Molecular Pathology v. Myriad Genetics

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Background

- Myriad obtained a number of patents based on its discovery of the location and sequence of two human genes, mutations of which can substantially increase the risks of breast and ovarian cancer.
- A panel of Federal Circuit judges expressed different views concerning the patentability of isolated DNA, but all three agreed that patent claims relating to cDNA met the patent eligibility requirements of 35 U.S.C. § 101.

Question Presented

- Are human genes patentable? Specifically, is an isolated DNA molecule sufficiently different from DNA in its natural state to render it patentable subject matter?

Ass'n for Molecular Pathology v. Myriad Genetics



Holdings

- If the nucleotide sequence is as it typically appears in nature, then no, because humanity has simply “separat[ed] that gene from its surrounding genetic material.”
- If the nucleotide sequence is modified, e.g., complementary DNA (“cDNA”), then yes, because “the lab technician unquestionably creates something new.”
- Applications of isolated DNA remain unaffected, as do isolated DNA molecules that do not track natural genetic sequences.

FTC v. Actavis

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Background

- Branded and generic drug manufacturers settled patent infringement litigation with a reverse payment settlement agreement.
- The FTC filed suit, alleging that the settlement agreement violated § 5 of the Federal Trade Commission Act. The district court dismissed the complaint, and the Eleventh Circuit affirmed, finding the settlement agreement immune from antitrust attack.

Question Presented

- Whether payments by a branded pharma company to a generic company in connection with settlement of patent infringement litigation can be antitrust violations if they involve an agreement not to enter the market.

FTC v. Actavis



Holding

- Reverse-payment agreements are not neither automatically lawful or unlawful under the antitrust laws; courts apply a “rule of reason,” considering the size of the payment, anticipated litigation costs, relationship to other services, and any other justifications.

Dissent

- The majority weakens patent protection, discourages litigation settlement, and may even discourage generics from challenging brand patents because they now have one fewer path to victory.

Mayo Collaborative v. Prometheus Labs.

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Background

- Patents cover method to determine optimal amount of certain drugs for autoimmune diseases, by administering drug and then analyzing patient's blood to assess if higher or lower dose is appropriate.
- On remand from Supreme Court in light of *Bilski v. Kappos*, Federal Circuit maintained its ruling that the method was patent-eligible.

Question Presented

- Is a method for calibrating the appropriate doses of specific drugs patent-eligible under § 101?

Holdings

- The patents effectively claimed the underlying laws of nature themselves, and were thus invalid.
- “If a law of nature is not patentable, then neither is a process reciting a law of nature, unless that process has additional features that provide practical assurance that the process is more than a drafting effort designed to monopolize the law of nature itself.”

Global-Tech Appliances, Inc. v. SEB, S.A.

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Background

- Defendant Pentalpha bought SEB's deep fryer in Hong Kong and reverse-engineered it. Pentalpha obtained an opinion that the fryer did not infringe—without telling the attorney about the reverse engineering.
- Pentalpha sold the copycat fryers abroad to companies that would resell in the U.S.

Question Presented

- Is the mental state for induced infringement “deliberate indifference of a known risk” of infringement (Federal Circuit) or is actual knowledge required?

Global-Tech Appliances, Inc. v. SEB, S.A.



Holdings

- Induced infringement requires knowledge that the induced acts constitute patent infringement.
- Deliberate indifference to a known risk that a patent exists is insufficient.
- Willful blindness is sufficient.
- A defendant that deliberately shielded itself from clear evidence of critical facts that are strongly suggested by the circumstances can be liable.

Stanford Univ. v. Roche Molecular Sys.

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Background

- A Stanford researcher developed an HIV testing technique in collaboration with a small research startup and assigned title in resulting inventions to the company.
- Stanford asserted that the federal Bayh-Dole Act gave it title to the invention notwithstanding the assignment, because the invention was tested at Stanford with federal grant funds.

Question Presented

- Does the Bayh–Dole Act automatically vest title to federally-funded inventions in federal contractors?

Holdings

- In this first instance where the Court affirmed the Federal Circuit in a patent case when the Solicitor General urged reversal, the Court found the Bayh-Dole Act does not automatically vest title to federally-funded inventions in federal contractors.
- The general rule that rights to an invention vest in the inventor applies even where the inventor's employer is a federal contractor, unless the inventor has expressly assigned the rights in writing to the employer.

Microsoft v. i4i

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Background

- i4i asserted that Microsoft Word infringes its patent on an improved method for editing certain computer documents.
- Microsoft asserted an invalidity defense. The jury decided the patent was not invalid and awarded \$240 million.

Question Presented

- Whether invalidity must be proven by clear and convincing evidence, either in general or specifically when the asserted invalidity argument was not before the PTO.

Holding

- The clear and convincing standard applies even when the PTO never considered the asserted grounds for invalidity.

Hana Financial v. Hana Bank

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Background

- “Tacking” is a doctrine in trademark law that allows trademarks to evolve over time while still having the benefit of the original date of first use. The revised mark is said to “tack” on to the original date of first use.
- A trademark owner may only gain the benefit of tacking if the revised mark is the “legal equivalent” of the original mark, that is, if both marks “create the same, continuing commercial impression” to consumers.
- Hana Financial sued Hana Bank for infringement of its “HANA FINANCIAL” trademark for financial services, with a date of first use of 1995. Hana Bank, a Korean company, began using “HANA BANK” in the U.S. in 2002, but claimed priority via tacking to 1994 for its use of “HANA OVERSEAS KOREAN CLUB” in the U.S. with “HANA BANK” in Korean.
- Jury decided marks were legal equivalents, giving Hana Bank priority and, thus, no infringement. Ninth Circuit affirmed.

Hana Financial, Inc. v. Hana Bank



Question Presented

- Whether a judge or jury should decide whether tacking is available in a given case.

Holdings

- Because the tacking inquiry operates from the perspective of an ordinary purchaser or consumer, a jury should decide whether tacking is available in a given case.
- “Application of a test that relies upon an ordinary consumer’s understanding of the impression that a mark conveys falls comfortably within the ken of a jury.”
- The Court noted, however, that when the facts warrant it, a judge may decide a tacking question on a motion for summary judgment or for judgment as a matter of law.

B&B Hardware v. Hargis Industries

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Background

- B&B Hardware owned a 1993 trademark registration for SEALTITE. In 1996, B&B Hardware filed with the Trademark Trial and Appeal Board (TTAB) an Opposition to Hargis' trademark application for SEALTIGHT and sued Hargis for trademark infringement in district court.
- The TTAB applied the multi-pronged *duPont* test for likelihood of confusion and agreed with B&B Hardware, refusing to register Hargis' trademark application. Hargis did not appeal.
- B&B Hardware argued to the district court that the TTAB's decision precluded Hargis from litigating the issue of likelihood of confusion. District court disagreed, noting TTAB is not a court of the judiciary.
- The Eighth Circuit affirmed on different grounds, noting that TTAB applies different factors than a district court when evaluating likelihood of confusion.

B&B Hardware v. Hargis Industries



Questions Presented

- Whether an agency decision can ever ground issue preclusion.
- Whether district courts should apply issue preclusion to TTAB decisions concerning likelihood of confusion.

Holdings

- Agency decisions may have preclusive effect in later federal court litigation, even though agencies are not courts created under Article III.
- So long as the other ordinary elements of issue preclusion are met, when the usages adjudicated by the TTAB are “materially the same” as those before a district court, issue preclusion should apply. “Trivial variations” in usages will not defeat issue preclusion.

Petrella v. Metro-Goldwyn-Mayer, Inc.

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Background

- The Copyright Act has a three-year statute of limitations, 17 U.S.C. § 507(b), which accrues separately from each successive violation (the separate-accrual rule)
- Jake LaMotta, a retired boxer, and his friend Frank Petrella collaborated on a book and screenplays allegedly forming the basis for the 1980 film *Raging Bull*.
- The works were registered in 1963, 1970 and 1973 and assigned in 1976 to a production company, which gave motion picture rights to United Artists, a wholly-owned subsidiary of MGM, in 1978.
- Petrella died in 1981 with renewal rights in the registrations passing to his heirs.
- Petrella's daughter claimed to be the owner of these rights, renewed the registrations, and notified MGM of potential infringement claims in 1998, then sued in 2009 for copyright infringement for all acts of infringement since 2006.
- District court granted MGM's motion for summary judgment on laches, Ninth Circuit affirmed.

Petrella v. Metro-Goldwyn-Mayer



Question Presented

- Whether the non-statutory defense of laches is available without restriction to bar all remedies for civil copyright claims filed within the three-year statute of limitations prescribed by Congress, 17 U.S.C. § 507(b).

Holdings

- Laches cannot be invoked as a bar to a claim of damages for copyright infringement brought within the three-year statute of limitations. Here, Petrella did not seek any relief arising from infringing acts prior to 2006.
- Due to the equitable nature of the laches defense, a court may consider plaintiff's delay and defendant's reliance on that delay when determining appropriate injunction relief and assessing disgorgement of profits.

Petrella v. Metro-Goldwyn-Mayer



SCA Hygiene v. First Quality (Fed. Cir. Sept. 18, 2015, *en banc*)

- *Petrella* decision does not apply to patent infringement cases.
- While Patent Act has a six-year limitation period for damages, 35 U.S.C. § 286, the laches defense is codified in the Patent Act, 35 U.S.C. § 282(b)(1).

eBay v. Mercexchange

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Background

- The traditional four-factor test for determining whether to award permanent injunctive relief to a prevailing plaintiff requires plaintiff to demonstrate that:
 - (1) it has suffered irreparable injury;
 - (2) remedies available at law are inadequate to compensate for the injury;
 - (3) considering the balance of hardships between plaintiff and defendant warrant equitable relief; and
 - (4) the public interest would not be disserved by a permanent injunction.
- In patent cases, the Federal Circuit applied a long-standing “general rule that courts will issue permanent injunctions against a patent infringement absent exceptional circumstances.” This “general rule” was premised upon a presumption of irreparable harm if infringement was found.
- After a jury found in favor of Mercexchange that eBay infringed its patent, the district court denied Mercexchange’s motion for permanent injunction, which the Federal Circuit reversed citing the “general rule.”

eBay v. Mercexchange



Question Presented

- Whether the traditional four-factor test for determining whether to award permanent injunctive relief applies to cases arising under the Patent Act.

Holdings

- The traditional four-factor test applied by courts of equity when considering whether to award permanent injunctive relief to a prevailing plaintiff applies to disputes arising under the Patent Act.
- Note: There is a split among the Courts on the extent to which *eBay* applies to Trademark cases.
 - ✦ The First Circuit acknowledged that the traditional four-factor test should apply to preliminary injunctions in trademark cases, but declined to decide whether a presumption of irreparable harm would be inconsistent with *eBay*.